



Kendry

June 12, 2015

Janice Parker
President
Taylor Business Institute
318 W. Adams
Chicago, IL 60606

Certified Mail Return Receipt Requested
Domestic Return Receipt number
70121640000002164628

RE: **Final Program Review Determination**
OPE ID: 01181000
PRCN: 2015-1-15-28888

Dear Mrs. Parker

The U.S. Department of Education's (Department's) Chicago/Denver-School Participation Division issued a program review report on April 10, 2015 covering Taylor Business Institute's (TBI) administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2013-2014 and 2014-2015 award years. The institution's final response was received on June 11, 2015.

The Chicago/Denver-School Participation Division has reviewed TBI's response(s) to the Program Review Report. A copy of the program review report (and related attachments) and TBI's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by TBI upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

TBI's responses have resolved all findings. In addition TBI's has provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of all findings. Therefore, TBI may consider the program review closed with no further action required.

Program records relating to the period covered by this program review must be retained until the later of: the resolution of the loan(s), claim(s) or expenditure(s) questioned in the program review [34 C.F.R. § 668.24(e)(3)(i)] or the end of the retention period applicable to the record [34 C.F.R. § 668.24(e)(1) and (e)(2)].

If you have any questions please call Erica Haynes at (312)730-1470.

Sincerely,

A black rectangular redaction box covering the signature of Douglas Parrott.

Douglas Parrott
Division Director

Enclosure: Program Review Report (with attachments FILE ONLY)
TBI's Response to the Program Review Report (FILE ONLY)

cc: Florence Davis, Financial Aid Administrator
Illinois Board of Higher Education
Accrediting Council for Independent Colleges and Schools
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau



EPM

April 16, 2015

Janice Parker
President
Taylor Business Institute
318 West Adams Street
Suite 500
Chicago, IL 60606-5111

Certified Mail Return Receipt Requested
Domestic Return Receipt
7012 1640 0000 0216 5281

RE: Program Review Report
OPE ID: 01181000
PRCN: 2015-1-15-28888

Dear Mrs. Taylor:

From December 8, 2014 through December 12, 2014 Erica Haynes, Mary Murray, and Tammi Sawyer conducted a review of Taylor Business Institute's (TBI) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by TBI. The response should include a brief, written narrative for each finding that clearly states TBI's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, TBI must provide supporting documentation as required in each finding.

Please note that pursuant to HEA section 498A(b), the Department is required to:

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
 - a. A written statement addressing the institution's response;
 - b. A written statement of the basis for such report or determination; and
 - c. A copy of the institution's response.

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for

¹ A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

Inspection by TBI upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Erica Haynes of this office within 30 calendar days of receipt of this letter.

Protection of Personally Identifiable Information (PII):


PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data / documents containing PII.

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Erica Haynes at (312) 730-1470 or **Erica.Haynes@ed.gov**.

Sincerely,


Dr. Brenda Yette^v
Compliance Manager

cc: Florence, Davis, Financial Aid Administrator

Enclosure:
Program Review Report (and appendices)
Protection of Personally Identifiable Information

Prepared for
Taylor Business Institute



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the AMERICAN MIND

OPE ID 011810-00
PRCN 2015-1-15-28888

U.S. Department of Education
Federal Student Aid
Chicago/Denver-School Participation Division

Program Review Report

April 17, 2015

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A. Institutional Information

Taylor Business Institute
318 West Adams Street
Suite 500
Chicago, IL 60606-5111

Type: Proprietary

Highest Level of Offering: Associates

Accrediting Agency: Accrediting Counsel for Independent Colleges and Schools

Current Student Enrollment: 257 (Fall 2013)

% of Students Receiving Title IV: 89% (2012-2013)

Title IV Participation (PC Net):

	<u>2013-2014</u>
Pell Grant (Pell)	\$ 756,155
William D Ford Direct Loan Program (Direct Loan)	\$ 1,148,374
Federal Supplemental Educational Opportunity Grant (SEOG)	\$ 266,667
Federal Work Study (FWS)	\$ 54,167

Default Rate FFEL/DL:

2011	11.9%
2010	26.2%
2009	33.5%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Taylor Business Institute TBI from December 8, 2014 to December 12, 2014. The review was conducted by Erica Haynes, Mary Murray, and Tammi Sawyer.

The focus of the review was to determine TBI's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of TBI's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2013-2014 and 2014-2015 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, 2 extra files were selected in the 2013-2014 award year and 4 extra files were selected in the 2014-2015 award year to ensure that the sample for each year included who received Title IV funding. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning TBI's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve TBI of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

Finding 1. Untimely Enrollment Reporting

Citation: All institutions participating in the Direct Loan Program, must have a system in place to timely and accurately report changes in borrower enrollment status to the National Student Loan Data System (NSLDS). At scheduled times throughout the year, roster files are sent to institutions via NSLDS. Subsequently, institutions must review, update, and certify the enrollment status information for all students contained in these files and then return the files to NSLDS within 30 days of receipt. If the institution plans to submit its next regularly scheduled enrollment report within 60 days of a student's enrollment change, the data may be provided in the upcoming enrollment report. [34 C.F.R §685.309 (b)(1) and (b)(2)]

Noncompliance: TBI did not report enrollment status updates to NSLDS within the required timeframe for the following student file numbers: 3, 4, 6, 7, 11, 12, 13, 15, 17, 18, 21. All students

listed had an enrollment status changed to withdrawn or graduated; however, their enrollment statuses were reported to NSLDS beyond the 60 day reporting requirement.

Required Action: The institution is directed to review the cited regulation and make the necessary procedural adjustments to ensure strict compliance with these requirements. The institution is required to develop and implement written procedures or enhance current written procedures that ensure that enrollment status reporting for all Title IV, HEA loan recipients is accurately reported within the regulatory timeframe. A copy of the procedures must be provided with TBI's response to this Program Review Report.

Finding 2. Financial Need Not Determined/Incorrect

Citation: In general, the term estimated financial assistance (EFA) refers to aid from the FSA programs, as well as grants, scholarships, loans, and need-based employment that an institution can reasonably anticipate at the time aid is awarded to the student, whether the assistance is awarded by the school or by an individual or organization outside the school. EFA does not include non-FSA aid if that aid offsets all or a portion of a component of a student's COA and that amount is excluded from COA as well. If aid is excluded from either EFA or COA, that amount must be excluded from both EFA and COA. If the student is charged for tuition and fees, even if the charge is eventually paid by someone besides the student, then that tuition and fee amount is included in the cost of attendance in most circumstances. The tuition and fees payment would then be counted as estimated financial assistance. If the student is never charged for tuition and fees, then the cost of attendance wouldn't include the tuition and fees component. *HEA Sec. 428(a)(2)(C)(ii) and 34 C.F.R. §673.5(c)*

Noncompliance: During the review, TBI systemically failed to provide the team with COA and EFA used when determining Title IV aid eligibility. Despite the error, the need-based Title IV aid awarded to students did not exceed the limits.

Required Action: TBI must develop and implement written policies specifying how it awards all Title IV aid, including the annual aggregate limits. If written policies and procedures are already established, TBI must make necessary adjustments to ensure they are in compliance and are following their written policy. A copy of these policies and procedures should be included in the response to this report.